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THE ENERGY REGULATORY COMMISSION)
)
VS.)
)
SALT RIVER RURAL ELECTRIC)
COOPERATIVE CORPORATION)

O R D E R

4) That the utility may at its discretion develop a security deposit plan, setting forth specific criteria for determining which new applicants are charged a security deposit, as long as the plan is fair and non-discriminatory for all new applicants.

5) That the Commission's regulation no. 807 KAR 50:015 Section 7 allows a utility to require an applicant or customer to make a cash deposit to secure payment of bills.

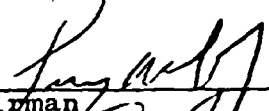
6) That KRS 278.460 requires utilities to pay interest on deposits required of patrons and specifies the amount thereof.

IT IS THEREFORE ORDERED that Salt River shall, in compliance with the provisions of 807 KAR 50:015 Section 7, initiate a policy of requiring a deposit from new applicants for membership except as provided in section 4 and from those existing members whose service has been discontinued for nonpayment of bills or for fraudulent or illegal use, prior to the furnishing of service, and Salt River may, at its discretion, refund the deposits after a certain period of membership has elapsed.

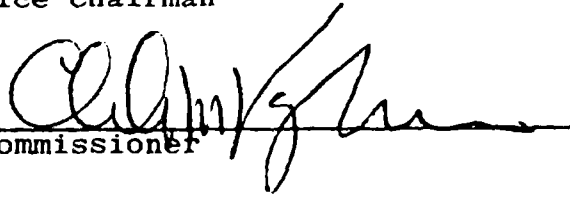
IT IS FURTHER ORDERED that within twenty (20) days from the date of this Order that Salt River shall file their tariffs with the Commission which describes the deposit policy.

Done at Frankfort, Kentucky, this 16th day of May, 1980.

ENERGY REGULATORY COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary